

# Memorandum

**To:** Chairman and Commissioners

**Date:** June 23, 2005

**From:** Diane C. Eidam

BOOK ITEM 4.13  
ACTION

## **2005-06 STIP/SHOPP Allocation Plan and Criteria**

**ISSUE:** Given present uncertainties in future funding, what plan and criteria should the Commission use in making STIP and SHOPP project allocations in 2005-06?

**RECOMMENDATION:** Staff recommends approval of the attached plan and criteria for allocations in 2005-06. These are the criteria discussed at the Commission's special meeting on June 16, 2005.

**BACKGROUND:** The 2004 STIP and 2004 SHOPP schedule projects for allocation in each fiscal year. However, there is uncertainty and risk involved in determining the amount that the Commission can allocate in 2005-06 and subsequent years. Although the Proposition 42 Transportation Investment Fund (TIF) transfer anticipated for 2005-06 will apparently be realized, there remains uncertainty over the receipt of proceeds from tribal gaming bonds (originally anticipated for 2004-05 and now to be budgeted for 2005-06) and over the potential for the Proposition 42 TIF transfer in 2006-07. Most projects allocated in 2005-06 will expend most of their funds in 2006-07. Therefore, allocations for 2005-06 must take into consideration expectations and risks for funding in 2006-07.

**California Transportation Commission**  
**STIP/SHOPP ALLOCATION PLAN AND CRITERIA**  
**July 2005**

**Guiding Principles:**

- Provide economic stimulus.
- Provide for maximum use of TIF funds and federal funds.
- Maintain existing STIP/SHOPP programming and allocation process.
- Act in accordance with statutory priorities (Streets and Highways Code Section 167).
- Work with Caltrans and regional agencies to identify project priorities.
- Maintain equity in process.

**General Allocation Plan Priorities:**

- Limit allocations to STIP and SHOPP projects programmed for allocation in 2005-06 and to projects with extensions to 2005-06.
- All projects programmed for 2005-06 in the following categories will receive allocations as they are delivered:
  - SHOPP projects, as identified by the Department.
  - Projects eligible for funding from federal Transportation Enhancement (TE) funds.
  - Projects eligible for funding from the Public Transportation Account (PTA).
  - Annual STIP allocations for planning, programming, and monitoring.
  - Required STIP mitigation projects for construction projects already allocated.
  - Projects to match federal bridge (HBRR) funds.
- Projects programmed for 2005-06 in the following categories will receive allocations as delivered (first-come, first served) until September 2005 or until the Commission has allocated \$500 million for these projects, whichever is earlier. At that time, the allocation plan will be reviewed, and these projects may be given priority for allocation in the following category order:
  - Interregional road system projects.
  - Highway/railroad grade separation projects.
  - Projects to increase the capacity of other state highways and local roads by adding new lanes.
  - Operational improvements, including improvements to interchanges, intersections, signals, turn lanes, etc.
- The Commission will give lower priority to STIP projects in the following categories, funding them only when funding comes from TE or PTA or when funding is sufficient to fund all projects in higher priority categories:
  - Local road rehabilitation and reconstruction.
  - Bicycle and pedestrian facilities.
  - Landscaping.
  - Enhancements, including soundwalls and signage.
  - Transportation demand management, including ridesharing and freeway service patrols.
  - Reserves not designated for specific projects (RSTP/CMAQ match, AB 3090 replacement).

- Allocations will be made for any project component programmed in 2005-06 (environmental, design, right-of-way, or construction) according to the criteria above.
- Within each category above, the Commission will consider the following for individual projects on a case-by-case basis, as necessary:
  - Regional and Caltrans priority.
  - Season-sensitivity of project (if not voted now, project misses the construction season).
  - Project delivery status and order of delivery.
  - Match of available TCRP funds.
  - Status of county shares.
- The Commission will regard project components brought for a vote as meeting STIP timely use of funds deadlines, even if an allocation vote is not possible for lack of funds. The Commission will consider time extensions on a case-by-case basis only.
- For project allocations made in 2005-06, the Commission will allocate funds for construction or for purchase of equipment subject to the condition that they be encumbered by award of a contract within six months of the date of the allocation of funds. This Commission will apply this deadline in addition to the timely use of funds deadlines in Section 65 of the STIP guidelines. The Commission may extend this six-month deadline at the request of the agency implementing the project if it finds that an unforeseen and extraordinary circumstance beyond the control of the agency has occurred that justifies the extension.
- For projects receiving allocations in 2005-06, Caltrans will provide monthly reports to the Commission on projects that have not been awarded within four months (rather than six months) of the date of the Commission's allocation.